Minutes

Faster Payments
Part of **pay.uk**

17 October 2019

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To   NPA Advisory Group: Request to Pay

From   Modupe Oyebisi
Service Line Secretariat

MINUTES OF THE NPA ADVISORY GROUP: REQUEST TO PAY MEETING HELD ON 17 OCTOBER 2019 AT 10.00 AT 2 THOMAS MORE SQUARE, E1W 1YN

Present:		
	Simon Brooks	Pay.UK *(Chair)*
	Modupe Oyebisi	Pay.UK *(Secretariat)*
	Rob Moore	Pay.UK
	Mark Jones	Pay.UK
	Aarron Shaughnessy	Bottomline
	James Stanley	Anglian Water
	Cyrus Wadia	Modulr
	Rob Aldis	RBS
	Danny Doyle	Accesspay
	Carlos Mu	Pay.UK
	Robert Walker	Nationwide (conference call)
	Mel Donohoe-Brown	Government Banking (conference call)
	Imran Ali	Answerdigital (conference call)
	Darren Wright	Pay.UK (from 12.30)
	Will Rylance	Manifesto (from 12.30)
	Joe Lawrence	Manifesto (from 12.30)
	Catherine Ferguson	Manifesto (from 12.30)
Apologies:	Craig Stewart	Clydesdale

		ACTION
10/19.01	**WELCOME**	

The Chair welcomed everyone to the Request to Pay (RtP) Advisory Group meeting. The Chair introduced Rob Aldis (RBS) and Carlos (Pay.UK) to the Group. Carlos gave a brief description of his role in Pay.UK.

10/19.02   MINUTES AND ACTIONS FROM THE PREVIOUS MEETING – 17 SEPTEMBER 2019

The Minutes of the previous meeting held on 17 September 2019 were agreed without further comment.

The outstanding actions were discussed as highlighted below:

09/19.03 Pay.UK to investigate access to the App through the RtP website

Pay.UK confirmed that the action is ongoing; however there is a need to liaise with the legal team on same.

09/19.04(a) Pay.UK to circulate the legal advice on KYC processes to the Group

Pay.UK confirmed that the action will be done post meeting. The Group agreed to close the action.

09/19.04(b) Pay.UK to investigate with the Financial Conduct Authority (FCA) the different levels of FCA accreditation to determine which to apply to the RtP service

Action carried forward to the next meeting.

09/19.07 Pay.UK to seek legal advice on liability on RtP if fraud is committed

Action carried forward to the next meeting.

10/19.03   **UPDATE ON A PROPOSITION WE ARE WORKING ON WITH PENNIES**

The Chair updated the Group on the ongoing proposition with Pennies. The Chair explained that Pennies is a UK registered charity which raises money for charity by collecting small change donations when paying by card, in-store or online. The Chair further explained how RtP could fit into the Pennies mode of operations.

The Group agreed that the proposition has potential but noted some issues regarding payment and reconciliation, as the biller will get a payment higher than the amount expected. It was agreed that the element of other relevant information contained within the request would lead the biller to know that there is excess payment. The biller can then deduct the excess amount and pass it to Pennies.

The Group noted there might not be any issue from the perspective of the point of sale element, as RtP can utilise existing technology.

It was pointed out that not all App providers will want requests with

flags that say they are related to charity, because this implies they will potentially have to do an API call on a long list of entities. **It was noted that this need a further exploratory action.** However, it was not discounted as a possibility.

The Group considered the possibility of the biller rounding up the payment amount and advising the payer of the optional additional amount. Thus, the biller already has advance notice of the payment. Although, Pennies will not necessarily know the amount that is expected unless this has been pre-agreed with the biller. **It was agreed that this option should be explored with Pennies to confirm their disposition to it.** Also, it was agreed that any new functionality introduced should support all charities, not just Pennies; otherwise this could be seen as anticompetitive.

The Group discussed overpayment in paying mortgage and the need to designate it differently. It was pointed out that currently RtP does not have capacity for an overpayment. **The Chair advised that this should be investigated because there is the likelihood to have customers who want to do overpayment from a mortgage perspective.**

The Group discussed information being received by biller and payer when a request is past its due date; if due date ends a request and if lateness in payment should be reflected as well as for how long it should be reflected. It was suggested that there should be a message stating that there would be no further action on the request after thirty days of it being due. The Chair cautioned that RtP does not aim to change existing protocol but to improve it where possible. **It was agreed that this should be investigated further.**

The Group observed that the biller would have the ability to cancel a request. However, there is the need to consider if cancelling the request gives the payer enough comfort that payment has been received and the request is closed. It was agreed that there should be some education around the communication function which would enable the payer inform the biller that payment has been completed

or discontinued. **This would require further internal investigation.**

The Group deliberated credit card payment vis-a-vis how the payer ensures that the biller knows there will not be a future payment. It was agreed that EAP providers and credit card companies will determine how this is managed. Also, it was suggested that the message requirement should be considered although, it is important to see the usage of this service and the response to it in order to decide further necessary actions. The Chair observed the need to ruminate the credit card proposition because of its complexity.

The Chair advised that Pay.UK would review the backlog of items being considered for the launch in order to determine the progress. It was noted that the proposition with Pennies will not form part of the launch.

10/19.04   AUTHORISED VENDOR

Pay.UK updated the Group of its intention to create an accreditation for software providers, which would allow them to certify that their product will be compatible with the RtP ecosystem. The idea was validated with the Group, which agreed it was a good idea.

10/19.05   COMMUNICATIONS

Pay.UK advised that following the discussion at the previous meeting on gaining critical mass, the Chair had spoken to a few banks to generate interest. There were some positive feedbacks while some of the entities said that it does not align with their year 2020 goals. A lot of interests have been expressed in the service as several organisations have contacted Pay.UK to be involved in RtP. Thus, RtP has started to take traction. It was noted that MasterCard made an announcement recently which also boosted interest in RtP from certain quarters. Pay.UK is currently in negotiations with entities within the pilot to determine the next steps.

Pay.UK provided update on the proposed vendor event scheduled to hold in November 2019. The communications team had advised that the meeting should aim at inviting Banks, Building Societies, Repository providers and large billers with the aim of providing clarity

on the purpose of RtP and its service functions. The event will also provide Pay.UK with the opportunity to show the progress that is being made in the delivery of RtP. Participants and representatives of the Pilot Group will be invited to the event with the expectation that some of the Participants will endorse RtP at the event. The event is now scheduled to hold between the end of November and early December 2019.

Pay.UK advised that it is carrying out research on a logo. Internally, there is a preference for RtP to adopt the Pay.UK logo but further investigation is being done in this regard.

The Group explored the communications approach and need for a collaborative effort of all stakeholders. The Chair advised that there should be a consistent message by all parties involved. Pay.UK is keen to create a communications working group in year 2020, and will confirm the members based on proposals and nominations. The Group nominated John Stanley to join the communications group.

The Chair advised that expectations should be managed regarding RtP launch because the ecosystem needs to be stimulated before launch. The Group emphasised the need to ensure that there are entities already operating in the RtP space before its launch. In addition, there should be processes, communication and governance in place. The Group discussed the possibility of extending the pilot if these deliverables are not met before launch while noting spending flexibility for the promotion of RtP.

10/19.06 INTERACTIVE ADVANCE NOTICE (IAN) UPDATE

Pay.UK provided an update on their research into the Direct Debit (DD) – RtP propositions and next steps. The aim was to see whether the RtP infrastructure can be leveraged to enhance DD in the form of an IAN, ensuring that the concept complimented RtP, whilst maintaining the benefits of DD and resolving some of its pain points. To achieve this, the team undertook stakeholder segmentation, service user interviews, proposition development, end user focus groups, process flow mapping, cost and benefit analysis as well as

delivery requirements. The team created a starting concept to test with service users and end users in order to understand user interactions with DD, scope demand for a more flexible DD proposition and determine if there was market appetite for an IAN.

During the research, it was suggested that there should be required and optional features. The required features were labelled 'okay' and 'contact' while the optional features could be used at the service users discretion and includes 'change payment date', 'pay different amount' and 'skip'. Manifesto explained that the purpose of 'okay' in basic proposition is for users to have a feeling of being in control of their services. The Group suggested that the 'okay' option should be replaced with either a 'Yes' or 'No' option. Manifesto explained that the option is the conceptual equivalent of a read receipt.

Manifesto engaged with end users and service users to ascertain the most viable IAN proposition; end users were segmented by financial background, age and UK geography; thus providing a range of opinions and design preferences. There were a wide range of views towards the proposition enhancement spawning from current pain points with DD and implementation difficulties. Two propositions were perceived to likely have the most potential for successful implementation. The first proposition offers improvements to the visibility of DD for end users and as such would provide easier and more efficient communication channels to service users while also delivering improved flexibility over existing advance notices. The second proposition offers end users greater flexibility around their DD and would provide optional functionalities for certain situations as well as increased communication. Although, it could create complexity of implementation for service users. The Group explored the possibility of leveraging on Pre-Authorisation Method (PAM) to deliver the first proposition.

The Group discussed the messaging services and different options it can be explored as well as its accompanying charges. Manifesto pointed out that the services will only be available to users who have IAN. The Group wondered if the end user upon receiving IAN can

choose a communication method outside of the repository network to respond through and if there are any issues that surface if a Bureau/FM provider sits outside the repository system. A question was raised on the message flows and the problem Pay.UK is looking to solve with the product. The Group advised that in order to build a proposition, it is important to first identify the problem being solved before proposing a solution and this need to be clear and concise. The Chair advised that the services of IAN should be clearly identified so that the purpose of RtP is not defeated. Manifesto assured the Group that IAN does not seek to take over RtP or DD but rather to complement it. The Group agreed that James Stanley should meet with Manifesto to further discuss the services from the perspective of a biller. The Chair remarked that an email will be sent to Mel Donohoe-Brown to confirm if interested in further discussing this proposition with Manifesto.

10/19.07   **AGREE DATE FOR NEXT AG**

The next meeting is on 21st November 2019.

10/19.08   **AOB**

There was no other business raised.